

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6332

BILL NUMBER: HB 1210

DATE PREPARED: Dec 12, 2001

BILL AMENDED:

SUBJECT: Statewide Notification for Utility Excavations.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a person who operates an underground utility line or system to register with the Indiana Underground Plant Protection Service (IUPPS). The bill provides that an operator who fails to join the service is subject to a civil penalty of \$100 per day. The bill provides that penalties are to be deposited in the Underground Facilities Damage Prevention Fund to provide annual grants to the service to fund safety and informational programs. The bill requires the notification of the service before demolition of a structure served by an underground facility. The bill repeals the statute authorizing the establishment of a voluntary association of underground utility operators.

Effective Date: July 1, 2002; January 1, 2003.

Explanation of State Expenditures: The bill provides that if operators of underground utility lines or systems do not register with the IUPPS, the Attorney General shall file an action in a county in which the operator operates. This provision could increase the administrative burden of the Attorney General's Office. The impact on the Office will depend on the number of noncompliant operators. The IUPPS currently has approximately 340 voluntary members. The number of nonmember underground utility operators in the state is unknown.

Explanation of State Revenues: This bill establishes the Underground Facilities Damage Prevention Fund to be administered by the Treasurer of State. This nonreverting fund will consist of any civil penalties collected from operators of underground facilities that do not join the association by January 1, 2003. Money in the fund is to be used to pay the Treasurer's expenses to manage the fund and by the IUPPS for safety and educational programs designed to reduce the number of incidents of damage to underground facilities.

Explanation of Local Expenditures: Municipally owned utilities with underground facilities, such as water and sewer services, would be subject to the provisions in this bill.

County Recorders: Under this bill, information currently submitted to a county recorder's office regarding the location of underground facilities and an operator's contact information would instead be submitted to the IUPPS. This provision could cause a slight decrease in the administrative burden of the county recorders.

Explanation of Local Revenues: The bill could cause a minimal decrease in a county's general fund and a county's recorder's record perpetuation fund revenue in so far as a county recorder would no longer receive the recording fees associated with the filing of certain documents from underground facility operators.

State Agencies Affected: Attorney General's Office; Treasurer of State.

Local Agencies Affected: Municipally owned utilities; County recorders.

Information Sources: Indiana Underground Plant Protection Service.